

Pharmacy Reimbursement: Average Wholesale Price (AWP) Reporting

First Databank (FDB) is currently the Department of Health Care Service's (DHCS) primary price reference source vendor. FDB will cease publishing Average Wholesale Price (AWP) in its National Drug Data File (NDDF) on September 28, 2011.

On June 28, 2011, Governor Edmund G. Brown Jr. signed Assembly Bill 102 (Chapter 29, Statutes of 2011), the Health Trailer Bill, which provided authority to DHCS to establish a process with the primary price reference source vendor to temporarily report the AWP consistent with the definition of AWP in California Welfare and Institutions Code Section 14105.45.

The process to establish the continued reporting of AWP shall continue until the new Average Acquisition Cost (AAC) reimbursement methodology is fully implemented by DHCS.

AWP reporting process has not been established prior to September 28, 2011, consequently pharmacy reimbursement shall be based on the most recent pricing data available in the claims processing system, until such time the continued reporting of AWP is re-established.

Pharmacy claims submitted for reimbursement for dates of service when AWP price updates are not reported by FDB may be subject to Erroneous Payment Correction when the AWP price update reporting is re-established.